

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended and P.A. 71 of 1919, as amended.

Local Unit of Government Type <input type="checkbox"/> County <input type="checkbox"/> City <input checked="" type="checkbox"/> Twp <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Unit Name FILER	County MANISTEE
Fiscal Year End 03/31/2007	Opinion Date 07/12/2007	Date Audit Report Submitted to State 09/30/2007	

We affirm that:

We are certified public accountants licensed to practice in Michigan.


We further affirm the following material, "no" responses have been disclosed in the financial statements, including the notes, or in the Management Letter (report of comments and recommendations).

YES ☒ NO ☐ Check each applicable box below. (See instructions for further detail.)

1. ☒ ☐ All required component units/funds/agencies of the local unit are included in the financial statements and/or disclosed in the reporting entity notes to the financial statements as necessary.
2. ☒ ☐ There are no accumulated deficits in one or more of this unit's unreserved fund balances/unrestricted net assets (P.A. 275 of 1980) or the local unit has not exceeded its budget for expenditures.
3. ☒ ☐ The local unit is in compliance with the Uniform Chart of Accounts issued by the Department of Treasury.
4. ☒ ☐ The local unit has adopted a budget for all required funds.
5. ☒ ☐ A public hearing on the budget was held in accordance with State statute.
6. ☒ ☐ The local unit has not violated the Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, or other guidance as issued by the Local Audit and Finance Division.
7. ☒ ☐ The local unit has not been delinquent in distributing tax revenues that were collected for another taxing unit.
8. ☒ ☐ The local unit only holds deposits/investments that comply with statutory requirements.
9. ☒ ☐ The local unit has no illegal or unauthorized expenditures that came to our attention as defined in the *Bulletin for Audits of Local Units of Government in Michigan*, as revised (see Appendix H of Bulletin).
10. ☒ ☐ There are no indications of defalcation, fraud or embezzlement, which came to our attention during the course of our audit that have not been previously communicated to the Local Audit and Finance Division (LAFD). If there is such activity that has not been communicated, please submit a separate report under separate cover.
11. ☒ ☐ The local unit is free of repeated comments from previous years.
12. ☒ ☐ The audit opinion is UNQUALIFIED.
13. ☒ ☐ The local unit has complied with GASB 34 or GASB 34 as modified by MCGAA Statement #7 and other generally accepted accounting principles (GAAP).
14. ☒ ☐ The board or council approves all invoices prior to payment as required by charter or statute.
15. ☐ ☒ To our knowledge, bank reconciliations that were reviewed were performed timely.

If a local unit of government (authorities and commissions included) is operating within the boundaries of the audited entity and is not included in this or any other audit report, nor do they obtain a stand-alone audit, please enclose the name(s), address(es), and a description(s) of the authority and/or commission.

I, the undersigned, certify that this statement is complete and accurate in all respects.

We have enclosed the following:		Enclosed	Not Required (enter a brief justification)	
Financial Statements		<input checked="" type="checkbox"/>		
The letter of Comments and Recommendations		<input checked="" type="checkbox"/>		
Other (Describe)		<input type="checkbox"/>		
Certified Public Accountant (Firm Name) WILSON, WARD CPA FIRM		Telephone Number 231-276-7668		
Street Address PO BOX 205		City INTERLOCHEN	State MI	Zip 49643
Authorizing CPA Signature 		Printed Name ROBERT WARD		License Number 1101028281

FILER TOWNSHIP

MANISTEE, MICHIGAN

Audit Report

For Year Ended
March 31, 2007

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July 12, 2007

Supervisor
Filer Township
Manistee, MI 49660

The primary purpose of this letter is to prepare, for management, information which delineates those items encountered during the course of the audit which were either not related to the financial, internal control and compliance reports or were not material enough to comment on relative to them. However, these items might be significant when viewed from a management perspective or in the longer term. This letter is intended only for the use of management and any other parties not informed of these matters might misconstrue their meanings.

Our Responsibility under Generally Accepted Auditing Standards

Our responsibility, as described by professional standards, is to plan and perform our audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement and are fairly presented in accordance with general accepted accounting principles. Because of the concept of reasonable assurance and because we did not perform a detailed examination of all transactions, there is a risk that material errors, irregularities, or illegal acts, including fraud and defalcations, may exist and not be detected by us.

As part of our audit, we considered the internal control structure of the Filer Township. Management has the responsibility for adopting sound accounting policies, for maintaining an adequate and effective system of accounts, for safeguarding assets and for maintaining the structure of the internal control system to help assure the proper recording of transactions. Our consideration of the system of internal control was solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control structure.

Significant Accounting Policies

Management has the responsibility for selection of appropriate accounting policies. In accordance with the terms of our engagement, we will advise management of the appropriateness of the accounting policies and their application. The significant accounting policies used by the Filer Township are listed in Note 1. No new accounting policies were adopted and the application of existing policies was not changed during the fiscal year. We noted no transactions entered into the Filer Township during the year that were both significant and unusual, and of which, under professional standards, we are required to inform you, of transactions for which there is a lack of authoritative guidance or consensus.

Management Judgements and Accounting Estimates

Some accounting estimates are utilized in financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. Our conclusions regarding the reasonableness of the estimates are based on reviewing and testing the historical data provided by management and using this data to compute the liability.

Disagreements with Management

For the purpose of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of the audit.

Significant Audit Adjustments

For purposes of this letter, professional standards define a significant audit adjustment as a proposed correction of the general purpose financial statements that, in our judgment, may not have been detected except through our auditing procedures. These adjustments may include those proposed by us but not recorded by the Filer Township that could potentially cause future financial statements to be materially misstated, even though we have concluded such adjustments are not material to the current financial statements.

With each passing year the improvements in the mechanized accounting system used by the Clerk continue. With continuation of increased utilization of the accounting system and particularly with the conversion of the Treasurer functions this system will allow for enhanced reporting and financial management.

Comment: Treasurer bank reconciliations were not performed monthly.

Recommendation: At the time of fieldwork the township was in the process of implementing new procedures to rectify this situation.

Comment: Treasurer did not make all deposits timely.

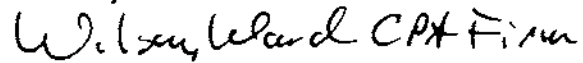
Recommendation: Treasurer will make all deposits timely. Identifying places and setting procedures for receipt of cash should be implemented as soon as possible to ensure that township monies are secured in a financial institution.

Comment: Clerk and Treasurer did not coordinate routinely to ensure that the accounts balance and that all transactions are recorded timely.

Recommendation: The Clerk and Treasurer must work closely together to reconcile and settle the accounts on at least a monthly basis.

This information is intended solely for the use of the Filer Township Board and management of Filer Township and is not intended to be and should not be used by anyone other than those specific parties.

Sincerely,

A handwritten signature in black ink that reads "Wilson, Ward CPA Firm". The signature is written in a cursive, flowing style.

Wilson, Ward CPA Firm

FILER TOWNSHIP
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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS IN
ACCORDANCE WITH GOVERNMENTAL AUDITING STANDARDS**

To the Township Board
Charter Township of Filer, Michigan

We have audited the financial statements of Charter Township of Filer, Michigan as of and for the year ended March 31, 2007, and have issued our report thereon dated July 12, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Charter Township of Filer's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Charter Township of Filer's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Charter Township of Filer's internal control over financial reporting.

Our consideration of internal control over financial reporting and internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies described below to be significant deficiencies in internal control over financial reporting.

Finding 2006-1 Cash Account Balance Reconciliation

Criteria:	All Cash accounts must be reconciled in a timely manner.
Condition:	Cash account were not being reconciled in a timely manner
Cause:	The cash account were not reconciled with the bank statements.
Effect:	As a result of this condition, the organization lacks internal controls for proper account reconciliation.
View of responsible Officials:	The organization reviewed the need for enhanced internal control over account reconciliation. Program enhancements were purchased and in the process of implementation during field work.

Finding 2006-2 Treasurer and Clerk Monthly reconciliation.

Criteria: The Treasurer and Clerk must balance on a monthly basis.

Condition: The Treasurer and Clerk were not balancing and reconciling funds and accounts on a monthly basis.

Cause: This is caused by poor internal systems and lack of communication between clerk and treasurer.

Effect: As a result of this condition, the organization lacks internal controls for proper checks and balances between the clerk and treasurer..

View of Responsible Officials: The organization reviewed the need for enhanced internal control over monthly reconciliations between the clerk and the treasurer, Program enhancements, and training were being performed during field work.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and considered to be material weaknesses. However, we did not consider any of the significant deficiencies described above to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Charter Township of Filer's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

We noted certain matters that we reported to management of Charter Township of Filer in a separate letter dated July 12, 2007.

Charter Township of Filer's response to the findings identified in our audit are described above. We did not audit Charter Township of Filer's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the management, others within the organization and the Township Board and is not intended to be and should not be used by anyone other than these specified parties.

Wilson Ward CPA Firm

Interlochen, MI
July 12, 2007

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

To the Township Board
Charter Township of Filer, Michigan

We have audited the accompanying statement of net assets, activities, each major fund, and the aggregate remaining fund information of Charter Township of Filer, Michigan as of and for the year March 31, 2007, which collectively comprise Charter Township of Filer, Michigan's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Charter Township of Filer, Michigan's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective of the governmental activities, the business type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Charter Township of Filer as of March 31, 2007, and the respective changes in financial position and cash flows, where applicable, thereof and the budgetary comparison for each major fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management discussion and analysis and required budgetary comparison information identified in the table of contents, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

In accordance with *Government Auditing Standards*, we have also issued a report dated July 14, 2006 on our consideration of Charter Township of Filer, Michigan's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contract and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Wilson Ward CPA Firm
Interlochen, MI
July 12, 2007

Filer Township

Management Discussion and Analysis

This discussion and analysis provides an overview of the Township's financial activities for the fiscal year ended March 31, 2007. Please read it in conjunction with the Township's financial statements.

Financial Highlights:

- The Township's net assets changed with a 3.1 percent increase attributed to frugal township operations.

Using this Annual Report:

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities provide information about the activities of the Township as a whole and present a longer-term view of the Township's finances. Fund financial statements tell how these services were financed in the short-term, as well as what remains for future spending. Fund financial statements also report the Township's operations in more detail than the government-wide financial statements.

The Fund Financial Statements present a short-term view; they tell us how the taxpayer's resources were spent during the year, as well as how much is available for future spending. Fund Financial Statements also report the Township's operations in more detail than the Government-Wide Financial Statements by providing information about the Township's most significant funds. The Fiduciary Fund Statements provide financial information about activities for which the Township acts solely as a trustee or agent for the benefit of those outside of the government.

Reporting the Township's Most Significant Funds:

1. Government Fund Types use modified accrual basis and include -

The *general funds* account for fiscal resources in use for general types of operations. The general fund is a budgeted fund and any fund balances are considered as resources available for use. Revenues are derived primarily from property taxes and state and federal distributions, grants and other intergovernmental revenues.

The *special revenue funds* account for specific governmental revenues requiring separate accounting because of legal or regulatory provisions or administrative action. These funds are employed to maintain integrity for the various sources of funds.

The *capital projects funds* account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds).

2. Fiduciary fund types include -

The *Trust and Agency Fund* is unbudgeted and accounts for activities within those areas where the Township is operating in either a trust or agency status. These funds have no

equity, assets are equal to liabilities, and do not include revenues and expenditures for general operations of the Township.

3. Proprietary fund types include -

The *enterprise funds* use the full accrual basis for operations: (a) that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or, (b) where the governing body has decided that periodic determination of revenue earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

The Township as a Whole:

The following table shows current year net assets:

Assets	
Cash	2,005,505
Other Current Assets	266,153
Capital Assets Net	<u>2,709,046</u>
Total Assets	4,980,704
Liabilities and Net Assets	
Liabilities	2,052,294
Net Assets	<u>2,928,408</u>
Total Liabilities and Net Assets	4,980,705

The Township's combined net assets increased 0.4% from a year ago - increasing from \$2,151,034 to \$. This was primarily due to prudent township operations

	2007
Revenues	
Taxes	518,973
State Grants	175,426
Interest and Rental	50,401
Charges for Services	170,259
Other	<u>155,412</u>
Total Revenue	1,070,471
Expenditure	<u>1,003,773</u>
Excess Revenue	66,698

The Township's Funds:

Our analysis of the Township's major funds begins in the supplemental data following the entity wide financial statements. The fund financial statements provide detail information about the most significant funds, not the Township as a whole. The Township Board creates funds to help manage money for specific purposes as well as to show accountability for certain activities such as special property tax millages.

The General Fund pays for most of the Township's governmental services. The amount transferred from the General Fund for Fire Services is supported by an operational budget approved by the Township Board and included the use of reserve funds.

General Fund Budgetary Highlights:

Over the course of the year the Township Board was able to maintain the township departments within their prescribed budgets. Some budget increases were necessary, the most significant to the Planning Commission. This increase was approved to facilitate completion of a new zoning ordinance.

Economic Factors and Next Year's Budgets and Rates:

Filer Townships 2007-2008 budget calls for the allocated millages to support general, fire, cemetery and the addition of the town hall renovation bond.

General Overview of the Accomplishments of Filer Township in the 2006-2007 Fiscal Year:

The Township finances have been managed very closely during this fiscal year. This is reflected in a slight increase of the General Fund balance. The Township is in a very healthy state as a whole.

Contacting the Township's Management:

This financial report is intended to provide our citizens, taxpayers, customers and investors with a general overview of the Township's finances and to show the Township's accountability for the money it receives. If you have questions about this report or need additional information, we welcome you to contact our office at (231) 723-3138.

Government Wide Statements

Filer Township, Michigan
Statement of Net Assets
All Fund Types Discretely Presented Component Units
As Of March 31, 2007

	Governmental Activities	Business-Type Activities	Total Governmental Funds	Discretely Presented Component Units
Assets				
Cash and Investments	\$1,599,520	\$405,985	\$2,005,505	\$621,033
Accounts Receivable	3	3,228	3,231	
Taxes Receivable	8,599	0	8,599	
Special Assessments Receivable	39,361	0	39,361	
Unbilled Receivable	0	36,140	36,140	
Prepaid Insurance	7,740	0	7,740	
Construction WIP	5,717	0	5,717	
Due From Other Agencies	28,837	0	28,837	
Due From Other Funds	128,228	8,300	136,528	
Net Capital Assets	1,180,584	1,528,462	2,709,046	
Total Assets	2,998,590	1,982,115	4,980,704	621,033
Liabilities and Fund Balance				
Liabilities				
Accounts Payable	2,767	0	2,767	
Accrued Salaries & Wages	0	224	224	
Deferred Revenue	0		0	
Due to Other Agencies	0		0	28,837
Due to Other Funds	30,022		30,022	
Notes Payable	705,000	1,305,000	2,010,000	
Compensated Absences	9,083	198	9,281	
Total Liabilities	746,872	1,305,422	2,052,294	28,837
Net Assets				
Restricted	239,673	41,587	281,260	
Unrestricted	2,012,042	635,106	2,647,148	592,196
Total Fund Equity	2,251,716	676,693	2,928,408	592,196
Total Liabilities and Fund Balance	\$2,998,591	\$1,982,115	\$4,980,705	\$621,033

Filer Township
Statement of Revenues, Expenditures and Changes in Net Assets
All Governmental Fund Types and Discretely Presented Component Units
For the Year Ended March 31, 2007

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets			Component Unit
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-type Activities	Total	
Primary government								
Governmental activities:								
General government	\$261,725	\$382			(\$261,343)		(\$261,343)	
Public safety	133,973				(133,973)		(133,973)	
Public works	244,492				(244,492)		(244,492)	
Health and Recreation	16,798				(16,798)		(16,798)	
Community and Economic Development	0				0		0	
Depreciation on Fixed Assets	95,624				(95,624)		(95,624)	
Interest on Long Term Debt	57,398				(57,398)		(57,398)	
Total Governmental Activities	810,009	382	0	0	(809,627)		(809,627)	
Business Type Activities								
Water and Sewer	193,764	169,877				(23,886)	(23,886)	
Total Primary Government								
Component Units	66,830							66,830

THE FOOTNOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

Fund Statements

Filer Township, Michigan
Balance Sheet
All Governmental Fund Types and Discretely Presented Component Units
As Of March 31, 2007

	General Fund	Fire Operating Fund	Other Non Major Funds	Total Governmental Funds	Discretely Presented Component Units	Total
Assets						
Cash and Investments	\$1,246,657	\$244,802	\$108,061	\$1,599,520	\$621,033	\$2,220,553
Accounts Receivable	3		0	3		3
Taxes Receivable	8,599		0	8,599		8,599
Special Assessments Receivable	39,361		0	39,361		39,361
Construction WIP	5,717		0	5,717		5,717
Prepaid Insurance	7,740		0	7,740		7,740
Due From Other Agencies	28,837		0	28,837		28,837
Due From Other Funds	128,228		0	128,228		128,228
Net Capital Assets				0		0
Total Assets	1,465,142	244,802	108,061	1,818,006	621,033	2,439,039
Liabilities and Fund Balance						
Liabilities						
Accounts Payable	2,767		0	2,767		2,767
Accrued Salaries & Wages	0		0	0		0
Deferred Revenue	0		0	0		0
Due to Other Agencies	0		0	0	28,837	28,837
Due to Other Funds	28,000	1,892	130	30,022		30,022
Notes Payable				0		0
Compensated Absences	9,083		0	9,083		9,083
Total Liabilities	39,851	1,892	130	41,872	28,837	70,709
Fund Equity						
Fund Balances:						
Reserved		160,000	79,673	239,673		239,673
Unreserved	1,425,291	82,910	28,258	1,536,459	592,196	2,128,654
Total Fund Equity	1,425,291	242,910	107,931	1,776,132	592,196	2,368,327
Total Liabilities and Fund Balance	\$1,465,142	\$244,802	\$108,061	\$1,818,004	\$621,033	\$2,439,037
Reconciliation with Governmental:						
Fund Balance	\$1,776,132					
Less: Long Term Debt	(705,000)					
Add: Net Capital Assets	1,180,584					
Net Assets	\$2,251,716					

THE FOOTNOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

Filer Township
Combined Statement of Revenues, Expenditures and Changes in Fund Balance
All Governmental Fund Types and Discretely Presented Component Units
For the Year Ended March 31, 2007

	General Funds	Fire Operating Fund	Other Non Major Funds	Total Governmental Funds	Component Units	Total Governmental
Revenues						
Taxes	\$405,508	\$77,919	\$35,546	\$518,973	\$51,077	\$570,050
Licenses	5,760		0	5,760		5,760
State of Michigan	175,426		0	175,426		175,426
Charges for Services	382		0	382		382
Interest & Rentals	46,224	2,080	2,097	50,401	26,332	76,733
Other Revenues	970	87,927	2,080	90,976	0	90,976
Donations	0		0	0		0
Cable Franchise Fees	25,730		0	25,730		25,730
Reimbursements	9,932		0	9,932		9,932
Total Revenues	669,932	167,925	39,724	877,581	77,409	954,989
Expenditures						
Current						
Legislative	116,846		0	116,846	0	116,846
General Government	144,879		0	144,879	66,830	211,709
Planning and Zoning	39,715		0	39,715	0	39,715
Public Works	202,833		1,944	204,777	0	204,777
Recreation	16,798		0	16,798	0	16,798
Public Safety		133,973		133,973	0	133,973
Miscellaneous	0		57,398	57,398	0	57,398
Capital Outlay	0			0	0	0
Total Expenditures	521,070	133,973	59,342	714,385	66,830	781,215
Excess Revenue (Expenditures)	148,862	33,953	(19,619)	163,196	10,579	173,774
Operating Transfers In	0		0	0		0
Operating Transfers (Out)	0		0	0		0
Prior Period	0	0	0	0		0
Fund Balance/Retained Earnings - Beginning of Year	1,276,429	48,957	127,550	1,452,936	581,617	2,034,553
Fund Balance/Retained Earnings - End of Year	\$1,425,291	\$82,910	\$107,931	\$1,616,132	\$592,196	\$2,208,327

Filer Township
Comparative Balance Sheet
Proprietary Fund Type-Water Fund

March 31, 2006 & 2007

<u>Assets</u>	<u>March 31, 2006</u>	<u>March 31, 2007</u>
Current Assets		
Cash	\$454,961	\$405,985
Accounts Receivable	7,724	3,228
Due From General Fund	8,300	8,300
Unbilled Receivable	34,340	36,140
Total Current Assets	<u>505,325</u>	<u>453,653</u>
Fixed Assets		
Plant, Property, & Equipment	1,919,395	1,919,395
Less: Accumulated Depreciation	(374,788)	(390,933)
Total Fixed Assets	<u>1,544,607</u>	<u>1,528,462</u>
Total Assets	<u>2,049,932</u>	<u>1,982,115</u>
 <u>Liabilities & Fund Balance</u>		
Current Liabilities		
Accounts Payable	0	0
Accrued Salaries & Wages	224	224
Long Term Debt		
Long Term Debt	1,365,000	1,305,000
Compensated Absences	198	198
Total Liabilities	<u>1,365,422</u>	<u>1,305,422</u>
Fund Equity		
Contributed Capital - Federal & State	328,000	328,000
- Local	32,392	32,392
Less: Amortization	(311,861)	(318,805)
Net Contribution Capital	<u>48,531</u>	<u>41,587</u>
Retained Earnings	<u>635,979</u>	<u>635,106</u>
Total Fund Balance	<u>684,510</u>	<u>676,693</u>
Total Liabilities & Fund Balance	<u>\$2,049,932</u>	<u>\$1,982,115</u>

THE FOOTNOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

Filer Township
Statement of Revenues, Expenditures & Changes in Retained Earnings
Proprietary Fund Type-Water Fund

For The Year Ended March 31, 2007

	<u>Actual</u>
<u>Operating Revenues</u>	
Meter Sales	\$169,877
Total Revenues	<u>169,877</u>
<u>Operating Expenses</u>	
Administration	10,907
Labor, Ins and Fica	41,033
Office Supplies	96
Operating Supplies	18,406
Printing	445
Public Utilities	15,640
Repairs & Maintenance	35,826
Miscellaneous	7,818
Professional Services	14,392
Depreciation	9,201
JP Morgan	0
Vehicle	827
Capital Expenditures	<u>46,116</u>
Total Operating Expenses	<u>200,708</u>
Operating Income	(30,830)
<u>Non-Operating Income</u>	
Interest	14,193
Transfer from General-Hydrant Rental	0
Miscellaneous	8,820
Amortization Charges to Contributed Capital	<u>6,944</u>
Total Non Operating Income (loss)	29,957
Net Income - Current Period	(873)
Retained Earnings - Beginning of Year	<u>635,979</u>
Transfer to Debt Service Fund	0
Prior Period	0
Retained Earnings - End of Year	<u><u>\$635,106</u></u>

THE FOOTNOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

Filer Township
Statement of Cash Flow
Proprietary Fund Type-Water Fund

For The Year Ended March 31, 2007

Cash Flow from Operating Activities

Operating Income	(\$30,830)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities	
Depreciation Expense	9,201
Hydrant Rental	0
Changes in Assets and Liabilities	
Decrease (increase) in Accounts Receivable	4,496
Increase in Accounts Payable	0
Decrease (increase) in Unbilled Receivable	<u>(1,800)</u>
Net Cash Provided by Operating Activities	(18,933)

Cash Flow from Investing Activities

Interest Income	14,193
Amortization Expense	6,944
Transfer to Debt Service Fund	(60,000)
Miscellaneous	8,820
(Decrease) Increase in Due From General Fund	<u>0</u>
Total Increase from investing	(30,043)
Net Increase in Cash	(48,976)
Cash Beginning of Year	<u>454,961</u>
Cash at End of Year	<u><u>\$405,985</u></u>

THE FOOTNOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

**Filer Township
Balance Sheet
Downtown Development Authority**

For the Year Ended March 31, 2007

	Actual Year Ended <u>March 31, 2007</u>	
<u>Assets</u>		
Cash	\$619,745	
Taxes Receivable	<u>0</u>	
Total Assets		<u>619,745</u>
<u>Liabilities and Fund Balance</u>		
Liabilities		
Accounts Payable	0	
Deferred Revenue	0	
Due to Other Units	<u>28,837</u>	
Total Liabilities		28,837
Fund Equity		
Fund Balances:		
Unreserved	<u>590,908</u>	
Total Fund Equity		<u>590,908</u>
Total Liabilities and Fund Balance		<u>\$619,745</u>

Filer Township
Statement of Revenues, Expenditures and Changes in Fund Balance
Downtown Development Authority

For the Year Ended March 31, 2007

	Actual Year Ended March 31, 2007	
<u>Revenue</u>		
Tax Revenue	\$51,077	
Interest Income	26,324	
Misc Revenue	<u>0</u>	
Total Revenue		77,401
<u>Expense</u>		
Utilities	709	
Holiday Display	9,588	
Fire Fund Contribution	50,000	
Legal	1,228	
Contract Svs	<u>5,305</u>	
Total Expense		<u>66,830</u>
Increase (Decrease) in Revenue		10,571
Fund Balance April 1, 2006		<u>580,337</u>
Fund Balance March 31, 2007		<u><u>\$590,908</u></u>

**Filer Township
Balance Sheet
Economic Development Commission**

For the Year Ended March 31, 2007

	Actual Year Ended March 31, 2007	
<u>Assets</u>		
Cash	\$1,288	
Taxes Receivable	<u>0</u>	
Total Assets		<u>1,288</u>
<u>Liabilities and Fund Balance</u>		
Liabilities		
Total Liabilities		0
Fund Equity		
Fund Balances:		
Unreserved	<u>1,288</u>	
Total Fund Equity		<u>1,288</u>
Total Liabilities and Fund Balance		<u>\$1,288</u>

Filer Township
Statement of Revenues, Expenditures and Changes in Fund Balance
Economic Development Commission

For the Year Ended March 31, 2007

	Actual Year Ended March 31, 2007
<u>Revenue</u>	
Revised Debt GF	\$0
Interest Income	8
Misc Revenue	<u>0</u>
Total Revenue	8
<u>Expense</u>	
Legal	0
Misc	<u>0</u>
Total Expense	<u>0</u>
Increase (Decrease) in Revenue	8
Fund Balance April 1, 2005	<u>1,280</u>
Fund Balance March 31, 2006	<u><u>\$1,288</u></u>

FILER TOWNSHIP
FOOTNOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

The accounting policies of the Township conform to generally accepted accounting principles as applicable to governmental units. The following is a summary of the significant accounting policies.

A. Reporting Entity

Filer Township is a Charter Township located in Manistee County, Michigan. The Township is governed by an elected seven member board. Services are provided to approximately 2,000 residents and include fire protection, road maintenance, rubbish removal, water distribution and general community enrichment services. The criteria established for determining the various agencies and boards to be included in the Township's general purpose financial statements depends on the extent such agencies and boards are a part of, controlled by or dependent on the Township. The criterion used to determine the reporting entity, "is the ability to exercise oversight responsibility over such agencies by the governmental unit's elected officials". As such, the Township has incorporated the Downtown Development Authority and the Economic Development Commission as Component Units of the Township which requires a discrete presentation in accordance with GASB 14. Thus, two totals (as memo only) are included in the presentation of the statements which are the primary government and a total which includes both primary government and component units.

B. Government-Wide and Fund Financial Statements

The Government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenue.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Summary of Significant Accounting Policies

Basis of Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The accounts of the government are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds are maintained consistent with legal and managerial requirements.

Basis of Accounting

Basis of Accounting refers to how revenue and expenditures or expenses are recognized in the account and reported in the financial statements. The basis of accounting, as required under generally accepted accounting principles, varies for each fund.

General, special revenue, debt service, capital projects and trust and agency funds should be accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenue is recognized in the accounting period in which it becomes available and measurable. Expenditures are recognized in the accounting period in which the related fund liability is incurred, if measurable.

The accounting policies of Filer Township conform to generally accepted accounting principles and include the following fund types

1. Government Fund Types use modified accrual basis and include -

The *general funds* account for fiscal resources in use for general types of operations. The general fund is a budgeted fund and any fund balances are considered as resources available for use. Revenues are derived primarily from property taxes and state and federal distributions, grants and other intergovernmental revenues.

The *special revenue funds* account for specific governmental revenues requiring separate accounting because of legal or regulatory provisions or administrative action. These funds are employed to maintain integrity for the various sources of fund.

The *capital projects funds* account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds).

The *debt service funds* account for the accumulation of resources for, and the payment of, general long-term debt principal and interest recorded in the General Long-Term Debt Account Group.

2. Fiduciary fund types include -

The *Trust and Agency Fund* is unbudgeted and accounts for activities within those areas where in the Township is operating in either a trust or agency status. These funds have no equity, assets are equal to liabilities, and do not include revenues and expenditures for general operations of the Township.

3. Proprietary fund types include -

The *enterprise funds* use the full accrual basis for operations: (a) that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or, (b) where the governing body has decided that periodic determination of revenue earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

D. Fixed Assets

All Proprietary funds are accounted for on a cost of service measurement focus. The operating statements present increases and decreases in net total assets. Depreciation of all fixed assets is charged as an expense against their operations. Accumulated depreciation is reported on the balance sheet. Depreciation for the Proprietary funds is computed as follows:

<u>Description</u>	<u>Method</u>	<u>Life</u>
Equipment	Straight Line	25 years
Plant	Straight Line	50 years

E. Fixed Assets - Governmental Funds

All Governmental funds are accounted for on a modified accrual basis of accounting. All capital outlay is expensed in the appropriated fund. Under GASB 34, All fixed assets (net of accumulated depreciation) and long term debt are booked on the balance sheet as Net Assets and Long Term Debt. Depreciation of all fixed assets is charged as an expense against their operations. Accumulated depreciation is reported on the balance sheet. Depreciation for the Governmental Funds is computed as follows:

<u>Description</u>	<u>Method</u>	<u>Life</u>
Equipment	Straight Line	5 to 25 years
Plant	Straight Line	30 to 50 years

F. Budgets and Budgetary Accounting

The general fund and enterprise fund types are under formal budgetary control. Budgets shown in the financial statements for these funds were prepared on a basis the same as the modified accrual basis used to reflect operations and include those amounts formally appropriated by the Township Board.

2. Excess of Expenditures over Appropriations

The local unit shall not incur expenditures in excess of appropriations. This also requires a disclosure of all such functional areas which exceeded budget. As such, a budgeted statement is included in the supplementary data portion of these financial statements.

The expenditures were all approved by the Board except for those which occurred as accounts payable at year end.

3. Financial Control of Funds

As authorized by Act 20, Public Act of 1943, as amended, states that the Township, by resolution may authorize its treasurer to invest surplus funds in the following manner:

1. Direct obligations of the United States or an agency or instrumentality of the United States.
2. In any account or depository which is a member of the F.D.I.C. or a savings and loan which is a member of the Federal Savings and Loan Insurance Corporation, or a credit union which is insured by the National Credit Union Administration.
3. Fifty percent of the funds may be invested in commercial paper rated at the time of purchase within the three highest classifications by not less than two standard rating agencies and which mature not more than 270 days following the date of purchase.
4. In United States Government of federal agency obligations repurchase agreements.
5. In bankers acceptances of the United States banks.
6. In mutual funds composed of investment vehicles which are legal for direct investment of local units of government in Michigan.

4. Cash and Investments

A. Legal or Contractual Provisions for Deposits and Investments

The Michigan Political Subdivisions Act No. 20, Public Acts of 1943, as amended by Act No. 217, Public Acts of 1982, states the Authority by which Treasurers may invest funds and includes the following:

- a) Bonds, securities, and other obligations of the United States or an agency or instrumentality of the United States.
- b) Certificates of deposit, savings accounts, deposit accounts, or depository receipts of a financial institution, but only if the financial institution is eligible to be a depository of funds belonging to the state under a law or rule of this state or the United States.
- c) Commercial paper rated at the time of purchase within the 2 highest classifications established by not less than 2 standard rating services and that matures not more than 270 days after the date of purchase.

- d) Repurchase agreements consisting of instruments listed in subdivision (a).
- e) Bankers' acceptances of United States banks.
- f) Obligations of this state or any of its political subdivisions that at the time of purchase are rated as investment grade by not less than 1 standard rating service.
- g) Mutual funds registered under the investment company act of 1940, title I of chapter 686, 54 Stat. 789, 15 USC 80a-1 to 80a-3 and 80a-4 to 80a-64, with authority to purchase only investment vehicles that are legal for direct investment by a public corporation. However, a mutual fund is not disqualified as a permissible investment solely by reason of either of the following:
 - i) The purchase of securities on a when-issued or delayed delivery basis.
 - ii) The ability to lend portfolio securities as long as the mutual fund receives collateral at all times equal to at least 100% of the value of the securities loaned.
 - iii) The limited ability to borrow and pledge a like portion of the portfolio's assets for temporary or emergency purposes.
- h) Obligations described in subdivisions (a) through (g) if purchased through an interlocal agreement under the urban cooperation act of 1967.
- i) Investment pools organized under the surplus funds investment pool act, 1982 PA 367.
- j) The investment pools organized under the local government investment pool act, 1985 PA 121. In bonds, securities and other obligations of the United States, or an agency or instrumentality of the United States, in which the principal and interest is fully guaranteed by the United States.

B. Deposits of the Township are as authorized by the Township Board and the Board of the Component Unit. A summary of these accounts and amounts is included in the supplemental data section of this report. All funds of Filer Township have been invested in those depositories or investments as authorized by Michigan Compiled Laws Section 129.91. The balance sheet account for all funds includes all cash, investments and imprest (petty cash) funds.

In accordance with GASB Statement No. 3, risk disclosures must be made to indicate the amounts of cash insured or uninsured. A general summary of these assets is as follows:

	<u>Carrying Value</u>
Insured	\$ 200,000
Uninsured	\$ 1,570,553

The Township also has \$350,000 invested in certificates of deposit.

The Downtown Development Authority has cash and investments in a single savings account with a balance of \$119,745. It also has \$500,000 in certificates of deposit.

	<u>Carrying Value</u>
Insured	\$100,000
Uninsured	19,745

The Economic Development Commission has all of its cash in a single savings account with a balance of \$1,288 which is insured and has a bank balance of \$1,288.

6. Long Term Debt

The Long Term Debt of Filer Township consists of and \$850,000 general obligation bond titled 2002 General Obligation Unlimited Tax Bond and referred to as the Fire Building Bond. The interest due is payable semiannually on April 1 and November 1 and the principal is payable on these bonds as follows:

	Principal	Interest
April 1, 2007	20,000	20,584
October 1, 2007		19,884
April 1, 2008	20,000	19,884
October 1, 2008		19,184
April 1, 2009	20,000	19,184
October 1, 2009		18,768
April 1, 2010	25,000	18,768
October 1, 2010		18,225
April 1, 2011	30,000	18,225
October 1, 2011		
April 1, 2012		
October 1, 2016	170,000	125,712
April 1, 2017		
October 1, 2021	370,000	76,643
April 1, 2022		
October 1, 2022	<u>95,000</u>	<u>2,517</u>
Total	750,000	377,578

In addition, the water department has a bond which is as the 2003 General Obligation Bond issued by the Michigan Municipal Bond Authority in the amount of \$1,490,000 with a bond retirement amortization of 20 years.

The interest is based on the amounts drawn with principal payments beginning 10/01/04. Interest is payable semiannually on April 1 and October 1 with the principal payments due on October 1 of each year. Interest and principal payments remaining are as follows:

	Principal	Interest
April 1, 2007		16,321
October 1, 2007	65,000	16,321
April 1, 2008		15,508
October 1, 2008	65,000	15,508
April 1, 2009		14,696
October 1, 2009	65,000	14,696
April 1, 2010		13,883
October 1, 2010	65,000	13,883
April 1, 2011		13,068
October 1, 2011	65,000	13,068
Next five years	365,000	113,375
Next five years	410,000	65,500
Next three years	275,000	13,875

5. Use Of Estimates

The process of preparing financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

6. Pension Plan

The Township participates in a defined contribution pension plan covering all elected officials; the Fire Chief, Water Department Foreman, Pool Manager and all other full-time employees. The Township contributes 75% of the premium, based on annual compensation while plan members contribute the remaining 25%. Plan members may make additional voluntary contributions. The Township's contribution for the year ended March 31, 2007 amounted to \$8,131.

7. Prior period adjustments

The government wide general fund statement and the proprietary fund have prior period adjustments for fixed assets that were placed in service.

8. Compensated Absences and Post Employment Benefits

The Township pays for compensated absences which are reflected in the balance sheet. They do not have any post employment benefits.

9. Reserved Fund Balance

A portion of the unreserved fund balance has been designated for specific purposes as indicated on the Balance Sheet.

10. Risk Management

The Township carries commercial insurance as a protection against risk.

SUPPLEMENTAL DATA SECTION

WILSON, WARD CPA FIRM

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To the Filer Charter Township Board
Manistee County, MI

We have audited the combined financial statements of Filer Charter Township for the year ended March 31, 2007. Our audits were made for the purpose of forming an opinion on the combined financial statements taken as a whole. The accompanying schedules, as listed in the table of contents, are presented for purposes of the additional analysis and are not a required part of the combined financial statements. Such information has been subjected to the auditing procedures applied in the audits of the combined financial statements and, in our opinion, is fairly stated in all material respects in relation to the combined financial statements taken as a whole.

Wilson, Ward CPA Firm

Interlochen, MI
June 12, 2007

General Fund

**Filer Township
Balance Sheet
General Fund**

As Of March 31, 2007

<u>Assets</u>	
Cash in Bank and Investments	\$1,206,657
Certificates of Deposit	40,000
Accounts Receivable	3
Taxes Receivable	8,599
Special Assessments Rec	39,361
Due From Other Agencies	28,837
Due From Other Funds	128,228
Prepaid Insurance	7,740
Construction Work in Progress	5,717
Total Assets	<u>1,465,142</u>
<u>Liabilities and Fund Balance</u>	
Liabilities	
Accounts Payable	2,767
Accrued Salaries & Wages	0
Deferred Revenue	0
Due To Other Funds	28,000
Accrued Benefits	9,083
Total Liabilities	<u>39,851</u>
Fund Balance	
Reserved for Equipment Replacement	0
Unreserved	1,425,291
Total Fund Balance	<u>1,425,291</u>
Total Liabilities and Fund Balance	<u>\$1,465,142</u>

THE FOOTNOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

Filer Township
Statement of Revenues, Expenditures and Changes in Fund Balance-Budget Vs Actual
General Fund

For the Year Ended March 31, 2007

	Original Budget Year Ended March 31, 2007	Amended Budget Year Ended March 31, 2007	Actual Year Ended March 31, 2007	Variance Favorable (Unfavorable)
Revenue				
Current Property Taxes	\$337,200	\$337,200	\$358,841	\$21,641
Delinquent Taxes	12,000	12,000	32	(11,968)
Penalties on Taxes	1,000	1,000	722	(278)
Admin Fees	45,000	45,000	45,913	913
Licenses and Permits	4,200	4,200	5,760	1,560
State Shared Revenues	141,000	141,000	175,426	34,426
Use Fees	0	0	0	0
Charge for Services	1,000	1,000	382	(618)
Earned Interest	13,500	13,500	43,234	29,734
Rents and Royalties	3,500	3,500	2,990	(510)
Cable Franchise	22,000	22,000	25,730	3,730
Misc	8,500	8,500	970	(7,530)
Total Revenues	588,900	588,900	659,999	71,099
Reimbursements	0	0	9,932	9,932
Total Receipts	588,900	588,900	669,932	81,032
Expenditure				
Legislative				
Township Board:				
Salaries and Wages	20,000	20,000	21,808	(1,808)
Benefits	16,000	16,000	14,540	1,460
Pension	10,000	10,000	8,131	1,869
Office Supplies	1,000	1,000	291	709
Professional Services	30,000	30,000	27,748	2,252
Mileage	3,500	3,500	2,450	1,050
Printing and Advertising	10,000	10,000	13,895	(3,895)
Insurance and Bonds	25,000	25,000	26,055	(1,055)
Misc	400	400	1,927	(1,527)
Total Township Board	115,900	115,900	116,846	(946)
General Government:				
Township Supervisor:				
Salaries and Wages	15,000	15,000	14,458	542
Office Supplies	0	0	0	0
Mileage	500	500	0	500
Misc	500	500	105	395
Total Township Supervisor	16,000	16,000	14,563	1,437
Elections:				
Salaries and Wages	3,500	3,500	3,705	(205)
Office Supplies	1,400	1,400	285	1,115
Prof Services	3,100	3,100	985	2,115
Printing	750	750	538	212
Total Elections	\$8,750	\$8,750	\$5,513	\$3,237

THE FOOTNOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

Filer Township
Statement of Revenues, Expenditures and Changes in Fund Balance
General Fund

For the Year Ended March 31, 2007

	Original Budget Year Ended March 31, 2007	Amended Budget Year Ended March 31, 2007	Actual Year Ended March 31, 2007	Variance Favorable (Unfavorable)
Assessor:				
Salaries and Wages	\$0	\$0	\$0	\$0
Supplies	500	500	85	415
Professional Services	30,000	30,000	26,893	3,107
Mileage and Travel	0	0	0	0
Publications	0	0	0	0
Insurance	0	0	0	0
Misc	500	500	655	(155)
Total Assessor	31,000	31,000	27,634	3,366
Clerk:				
Salaries and Wages	16,000	16,000	15,468	532
Office Supplies	0	0	0	0
Mileage	750	750	753	(3)
Misc	1,000	1,000	400	600
Total Clerk	17,750	17,750	16,621	1,129
Board of Review:				
Salaries	1,100	1,100	900	200
Misc	900	900	43	857
Total Board of Review	2,000	2,000	943	1,057
Treasurer:				
Salaries and Wages	16,000	16,000	15,659	341
Office Supplies	100	100	0	100
Professional Services	1,000	1,000	275	725
Mileage	500	500	67	433
Printing	0	0	0	0
Total Treasurer	17,600	17,600	16,000	1,600
Township Hall and Grounds:				
Salaries & Wages	15,000	15,000	13,936	1,064
Benefits	12,000	12,000	11,553	447
Supplies	7,500	7,500	7,833	(333)
Prof Services	4,000	4,000	1,378	2,622
Telephone	4,000	4,000	3,427	573
Public Utilities	7,500	7,500	3,606	3,894
Repairs	3,000	3,000	550	2,450
Misc.	3,000	3,000	11,832	(8,832)
Total Township Hall	\$56,000	\$56,000	\$54,115	\$1,885

THE FOOTNOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

Filer Township
Statement of Revenues, Expenditures and Changes in Fund Balance
General Fund

For the Year Ended March 31, 2007

	Original Budget Year Ended March 31, 2007	Amended Budget Year Ended March 31, 2007	Actual Year Ended March 31, 2007	Variance Favorable (Unfavorable)
Other Township Bldgs and Grounds:				
Salaries & Wages	\$1,000	\$1,000	\$175	\$825
Benefits	0	0	0	0
Supplies	500	500	279	221
Prof Services	500	500	1,670	(1,170)
Telephone	0	0	0	0
Public Utilities	2,000	2,000	1,104	896
Repairs	2,000	2,000	142	1,858
Misc.	5,500	5,500	6,120	(620)
Total Other Bldgs and Grounds	11,500	11,500	9,490	2,010
 Total General Government	 160,600	 160,600	 144,879	 15,721
Planning and Zoning:				
Salaries and Wages	30,000	30,000	23,925	6,075
Supplies	0	0	15	(15)
Professional Services	15,000	15,000	13,235	1,765
Mileage	1,000	1,000	289	711
Printing	2,500	2,500	2,251	249
Misc	500	500	0	500
Total Planning and Zoning	49,000	49,000	39,715	9,285
Public Works:				
Street Lighting	35,000	35,000	32,914	2,086
Highway Drains	0	0	0	0
Road Work	53,000	53,000	53,639	(639)
Infrastructure Capital Outlay	0	0	0	0
Total Public Works	88,000	88,000	86,554	1,446
Recreation and Cultural:				
Parks Recreation and Memorial				
Salaries	4,000	4,000	3,760	240
Operating Supplies	1,000	1,000	191	809
Professional Services	12,000	12,000	10,235	1,766
Maintenance	1,200	1,200	0	1,200
Misc	1,500	1,500	2,612	(1,112)
Public Utilities	0	0	0	0
Total Parks and Recreation	\$19,700	\$19,700	\$16,798	\$2,902

THE FOOTNOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

Filer Township
Statement of Revenues, Expenditures and Changes in Fund Balance
General Fund

For the Year Ended March 31, 2007

	Original Budget Year Ended March 31, 2007	Amended Budget Year Ended March 31, 2007	Actual Year Ended March 31, 2007	Variance Favorable (Unfavorable)
Garbage Pick Up	\$135,000	\$135,000	\$116,279	\$18,721
Total Expenditures	<u>568,200</u>	<u>568,200</u>	<u>521,070</u>	<u>47,130</u>
Excess Revenues			148,862	
OTHER FINANCING SOURCES				
Operating Transfers In(Out)			0	
Excess Revenue & Other Financing Uses Over (Under) Expenditures			148,862	
Fund Balance - Beginning of Year			<u>1,276,429</u>	
Prior Period Adjustment			0	
Fund Balance - End of Year			<u>\$1,425,291</u>	

THE FOOTNOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

Special Revenue Fund

**Filer Township
Combining Balance Sheet
Special Revenue Funds**

As Of March 31, 2007

	Fire Fund	Liquor Law Enforcement Fund	Total
<u>Assets</u>			
Cash in Bank	\$244,802	\$28,388	\$273,191
Taxes Receivable	0		0
 Total Assets	 244,802	 28,388	 273,191
<u>Liabilities and Fund Balance</u>			
Liabilities			
Accounts Payable	0	0	0
Due to General Fund	1,892	130	2,022
Total Liabilities	1,892	130	2,022
 Fund Balance			
Reserved for Equipment Replacement	160,000		160,000
Unreserved	82,910	28,258	111,168
Total Fund Balance	242,910	28,258	271,168
 Total Liabilities and Fund Balance	 \$244,802	 \$28,388	 \$273,190

THE FOOTNOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

Filer Township
Combining Statement of Revenues, Expenditures & Changes in Fund Balance
Special Revenue Funds

For The Year Ended March 31, 2007

	Fire Fund	Liquor Law Enforcement Fund	Total
Revenues			
Property Taxes	\$77,912		\$77,912
Delinquent Property Taxes	7		7
State of Michigan		4,177	4,177
Interest	2,080	0	2,080
Grants	0		0
Miscellaneous	87,927	0	87,927
Total Revenue	<u>167,925</u>	<u>4,177</u>	<u>172,102</u>
Expenditures			
Law Enforcement		1,944	1,944
Fire Protection	133,973		133,973
Total Expenditures	<u>133,973</u>	<u>1,944</u>	<u>135,917</u>
Excess Revenue (Expenditures)	33,953	2,233	36,186
Fund Balance - Beginning of Year	<u>48,957</u>	<u>26,025</u>	<u>74,982</u>
Prior Period Adjustment	0	0	0
Fund Balance - End of Year	<u>\$82,910</u>	<u>\$28,258</u>	<u>\$111,168</u>

THE FOOTNOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

Filer Township
Balance Sheet
Fire Fund

As Of March 31, 2007

Assets

Cash In Bank	\$184,802
Certificates of Deposit	60,000
Taxes Receivable	0
Prepaid Insurance	0
Total Assets	<u>244,802</u>

Liabilities and Fund Balance

Liabilities	
Accounts Payable	0
Due to General Fund	1,892
Total Liabilities	<u>1,892</u>
Fund Balance	
Reserved for Equipment Replacement	160,000
Unreserved	82,910
Total Fund Balance	<u>242,910</u>
Total Liabilities and Fund Balance	<u>\$244,802</u>

THE FOOTNOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

Filer Township
Statement of Revenues, Expenditures & Changes in Fund Balance
Fire Fund

For The Year Ended March 31, 2007

<u>Revenues</u>	
Property Taxes	\$77,912
Delinquent Property Taxes	7
Interest	2,080
Grant FEMA	0
Miscellaneous and Grant	87,927
Total Revenue	<u>167,925</u>
<u>Expenditures</u>	
Salaries & Wages	23,775
Employee Benefits	1,407
Supplies	23,125
Hydrant rental	0
Telephone	1,966
Travel	560
Insurance	3,178
Public Utilities	6,658
Miscellaneous	5,643
Repairs	6,279
Capital Expenditures	61,382
Total Expenditures	<u>133,973</u>
Excess Revenues (Expenditures)	33,953
Fund Balance - Beginning of Year	<u>48,957</u>
Prior Period Adjustment	0
Fund Balance - End of Year	<u><u>\$82,910</u></u>

THE FOOTNOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

Filer Township
Statement of Revenues, Expenditures & Changes in Fund Balance
Liquor Law Enforcement Fund

For The Year Ended March 31, 2007

<u>Revenues</u>	
Miscellaneous	\$0
Interest	0
State of Michigan	<u>4,177</u>
Total Revenues	<u>4,177</u>
 <u>Expenditures</u>	
Salaries & Wages	1,800
Employee Benefits	26
Office Supplies	0
Miscellaneous	<u>118</u>
Total Expenditures	<u>1,944</u>
 Excess Revenue (Expenditures)	 2,233
 Fund Balance - Beginning of Year	 <u>26,025</u>
 Prior Period Adjustment	 0
 Fund Balance - End of Year	 <u><u>\$28,258</u></u>

THE FOOTNOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

**Filer Township
Balance Sheet
Liquor Law Enforcement Fund**

As Of March 31, 2007

<u>Assets</u>	
Cash In Bank	<u>\$28,388</u>
Total Assets	<u>28,388</u>
<u>Liabilities and Fund Balance</u>	
Due to General Fund	130
Accrued Salaries	0
Unreserved Fund Balance	<u>28,258</u>
Total Liabilites and Fund Balance	<u>\$28,388</u>

THE FOOTNOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

Proprietary Fund

Filer Township
Statement of Changes in Fixed Assets
Proprietary Fund Type-Water Fund

For The Year Ended March 31, 2007

	Assets			March 31, 2007 Balance
	March 31, 2006 Balance	Additions	Deletions	
Machinery and Equipment	\$30,648	\$0	\$0	\$30,648
Water System	1,888,747	0	0	1,888,747
Total Asset	1,919,395	0	0	1,919,395

Provision for Depreciation				
	Annual Rate	March 31, 2006 Balance	March 31, 2007 Balance	Net Book Value
Machinery & Equipment	4%	15,841	17,067	13,581
Water System	2%	175,148	212,923	1,675,824
		190,989	229,990	1,689,405
Amortization			6,944	
Depreciation			\$32,057	

THE FOOTNOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

Filer Township
Statement of Net Fixed Assets
Proprietary Fund Type-Water Fund

For The Years Ended March 31, 2006 and 2007

<u>Assets</u>	March 31, 2006	March 31, 2007
Machinery & Equipment	<u>\$14,807</u>	<u>\$13,581</u>
Water System	<u>1,713,599</u>	<u>1,675,824</u>
	<u>\$1,728,406</u>	<u>\$1,689,405</u>

THE FOOTNOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

Debt Service Fund

**Filer Township
Combining Balance Sheet
Debt Service Fund**

As Of March 31, 2007

	Fire Hall Debt Service Fund	Drinking Water Debt Service Fund	Total
Assets			
Cash in Bank	\$ 79,673	\$ 0	\$ 79,673
Receivable from Bond Funds	0	0	0
Due from General Fund			0
Total Assets	79,673	0	79,673
Liabilities and Fund Balance			
Liabilities			
Accounts Payable	0	0	0
Due to General Fund	0	0	0
Total Liabilities	0	0	0
Fund Balance			
Reserved for Equipment Replacement			0
Unreserved	79,673	0	79,673
Total Fund Balance	79,673	0	79,673
Total Liabilities and Fund Balance	\$79,673	\$0	\$79,673

THE FOOTNOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

Filer Township
Combining Statement of Revenues, Expenditures & Changes in Fund Balance
Debt Service Fund

As Of March 31, 2007

	Fire Hall Debt Service Fund	Drinking Water Debt Service Fund	Total
<u>Revenues</u>			
Property Taxes	\$35,546		\$35,546
State of Michigan			0
Interest	0	0	0
Miscellaneous	0	0	0
Total Revenue	<u>35,546</u>	<u>0</u>	<u>35,546</u>
<u>Expenditures</u>			
Payment of Principal	15,000	0	15,000
Interest	41,693	0	41,693
Total Expenditures	<u>56,693</u>	<u>0</u>	<u>56,693</u>
Excess Revenue (Expenditures)	(21,147)	0	(21,147)
Transfer from Receiving		0	
Transfer to Checking (Debt Payment)		0	
Fund Balance - Beginning of Year	<u>100,820</u>	<u>0</u>	<u>100,820</u>
Prior Period Adjustment	0		0
Fund Balance - End of Year	<u>\$79,673</u>	<u>\$0</u>	<u>\$79,673</u>

THE FOOTNOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS